

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GRAYSON COUNTY)	
WATER DISTRICT, GRAYSON COUNTY,)	
KENTUCKY, (1) FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY AUTHORIZING)	CASE NO. 99-399
CONSTRUCTION OF MAJOR ADDITIONS AND)	
IMPROVEMENTS TO ITS WATER DISTRIBUTION)	
SYSTEM AND (2) SEEKING APPROVAL OF THE)	
ISSUANCE OF CERTAIN SECURITIES)	

O R D E R

On September 24, 1999, Grayson County Water District (Grayson District) submitted an application for a Certificate of Public Convenience and Necessity to construct a \$2,050,000 waterworks improvement project and for approval of its plan of financing for this project. This project will provide new service to 222 additional customers. Project funding is a \$1,000,000 bond issue to be purchased pursuant to an agreement with the U.S. Department of Agriculture's Rural Development (RD), a \$500,000 grant from the RD, a \$500,000 Kentucky State Surplus Grant, and a \$50,000 contribution from the Applicant.

Grayson District's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements

were met in this case on September 24, 1999, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Grayson District is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Grayson District's proposed plan of financing with RD is accepted.

3. Grayson District is authorized to issue bonds not to exceed \$1,000,000.

4. Grayson District shall file a copy of the as-built drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. Three years from the effective date of this Order Grayson District shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 21st day of October, 1999.

By the Commission

ATTEST:

Executive Director